

# **FISCAL NOTE**

## **HB 486 - SB 980**

March 1, 2005

**SUMMARY OF BILL:** Permits physicians to submit credentialing applications to health insurance entities to begin processing the applications before the physician formally begins employment or changes location. Requires the entity to process submitted applications and notify the physician within 90 days whether or not the physician has been credentialed. If not given notification within 90 days, the entity must reimburse the physician for medical care rendered after 90 days from the date of application or the actual date of credentialing. Physicians are responsible for reimbursing the entity for all payments within 30 days of notification of denied credentialing.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Exceeds \$100,000**

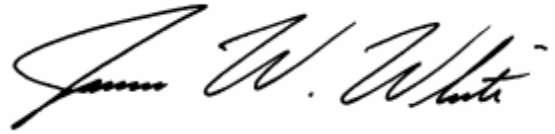
**Other Fiscal Impact – Increase Federal Expenditures – Exceeds \$200,000**

Assumptions:

- The bill would have a significant impact on the Bureau of TennCare's state and federal expenditures. The amount cannot be determined but is estimated to exceed \$300,000 because managed care organizations would reimburse physicians on an out of network rate for medical care rendered 90 days after submitting a credentialing application.
- The Department of Commerce and Insurance would require additional personnel for complaint mediation of disputes between health insurance entities and providers.
- The Department expects an increase of insurer complaints requesting assistance in collecting incorrectly paid reimbursements to providers.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director